

IN THE
INDIANA TAX COURT

NO. 49T10-9309- TA- 70

TOWN OF ST. JOHN, <i>et al.</i> ,)
)
Petitioners,)
)
v.)
)
STATE BOARD OF TAX)
COMMISSIONERS)
)
Respondents.)
)

**STATE BOARD'S
FIFTH MONTHLY REPORT**

This is the State Board of Tax Commissioners' fifth monthly report under the Court's order dated May 31, 2000, 729 N.E.2d 242, 247. The report explains the State Board's activities during October 2000 to implement the Court's order. An outline of these activities is included as Exhibit A.

Overall Schedule

The State Board's First Monthly Report contained a proposed schedule for adopting a new assessment rule consistent with the Court's order. The Board's activities during October 2000 are in accordance with that schedule, and the State Board expects to maintain that schedule and meet the deadlines within it.

Work with Assessors

In October, the Assessor Advisory Committee had its second meeting. The Committee heard presentations from three outside entities, Appraisal Research Corp. (ARC), Manatron, Inc., and the International Association of Assessing Officials. ARC discussed its manual proposals and its testing and Validation efforts. Manatron discussed software issues. The IAAO discussed its analysis of the State Board's and ARC's manual proposals and also presented the results of its survey of other assessing jurisdictions.

The State Board chairman and Assessment Division director met with township assessors and the county assessor in Porter County to discuss assessing major steel mills.

Rule Development

In October, State Board staff spent a significant amount of time developing potential manual provisions. Specifically, staff concentrated on refinements to previously drafted manual provisions, development of new depreciation methods, study of assessment-to-sales ratio relationships, and the drafting of administratively acceptable equalization standards and procedures. Additionally, the Board has been analyzing the Appraisal Research Corporation proposal and recommendations of the International Association of Assessing Officials regarding possible approaches to real property assessment in Indiana.

As an outgrowth of these reviews, it is anticipated that at least two separate assessment manuals will be published. They each will contain equally sound, but different, approaches and methodologies for arriving at a objectively verifiable property valuation. It is the belief of the Board that the publication and subsequent public debate of these distinct sets of guidelines will benefit the overall discussion on the most desirable direction of the next reassessment. The Board remains very open to alternative views on what techniques will promote the most fair and equitable assessments.

During October, ARC continued to validate its residential depreciation proposal by reviewing its application to sales data in selected townships. ARC also has provided the State Board with background data from its previous cost table spreadsheets. Also in October, IAAO submitted its critique of the residential depreciation proposals made by the State Board and ARC and its state-by-state comparison of valuation manuals.

Training

During October, State Board staff spent considerable time developing course materials for training in November and December. The specific topics covered in these courses are listed in Exhibit A.

Software

State Board personnel continued their regular meetings with the primary software vendor in the State to keep the vendor abreast of developments.

Other consultations


During October, State Board personnel met with representatives of the Apartment Owners Association regarding use of income capitalization methods. State Board personnel also met with the Indiana Electric Association, including representatives of all major electric utilities.

Statutory issues

In the First Monthly Report, the State Board identified statutes with which it will be unable to comply under the timetable for promulgating a new assessment rule. During October, the State Board has identified no additional provisions with which it will be unable to comply.

Respectfully submitted,

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